

H B 63

Employment Contract Example

EXHIBIT 4
DATE 02/05/07
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serves the DISTRICT subject to approval of the Board; shall from time to time suggest regulations, rules and procedures for the Board's consideration, and in general, perform all duties incident to the position and such other duties as may be prescribed by the Board from time to time. In the event that the accreditation standards as applied to the District change for any reason, including but not limited to, modification to the accreditation standards, growth of the District, during the term of this contract, the parties shall renegotiate any applicable material provisions of the agreement. Should the parties be unable to reach an agreement regarding any such material provisions, such a change in accreditation requirements shall constitute good cause for purposes of terminating this agreement.

C. Outside Activities: ADMINISTRATOR shall devote his time, attention and energy to the business of the school district as set forth in Paragraph 2.B. above. So long as any other activity does not impact his ability to perform the essential functions of his position within the District, he may serve as consultant to other districts or educational agencies, lecture, engage in writing activities and speaking engagements, and engage in other activities which are of a short-term duration. If this outside activity requires that ADMINISTRATOR be absent from his position with the District, he will be required to use vacation or personal leave. In no case will DISTRICT be responsible for any expenses attributable to the performance of such outside activities.

3. **PROFESSIONAL GROWTH OF ADMINISTRATOR**: DISTRICT encourages the continuing professional growth of ADMINISTRATOR through his participation in:

- A. The operations, programs, and other activities conducted or sponsored by local, state, and national school administrators and school Board associations;
- B. Seminars and courses offered by public or private educational institutions; and,
- C. Informational meetings with other persons whose particular skills or backgrounds would serve to improve the capacity of ADMINISTRATOR to perform his professional responsibilities for DISTRICT.

DISTRICT agrees to allocate Twenty Four Hundred Dollars (\$2,400.00) annually for ADMINISTRATOR'S discretionary professional leave/travel.

4. **COMPENSATION**: DISTRICT shall pay ADMINISTRATOR at an annual salary of Twenty Four Thousand (\$24,000) for the 2005-2006 school year. This annual rate shall be paid to ADMINISTRATOR in monthly installments of one/twelfth of the annual salary rate on the ____ day of each month for his services rendered during the current month. This amount shall increase in subsequent years of this contract by an amount equal to the consumer price index for urban wage earners compiled by the Bureau of Labor Statistics of the United States Department of Labor or its successor agency in the preceeding year.

5. **LEAVE OF ABSENCE**: ADMINISTRATOR shall accrue sick and vacation leave as

prescribed in Title 2, Chapter 18, Part 6. Additionally, ___ days of non-accumulative personal leave shall be granted each year.

6. **OTHER BENEFITS:** DISTRICT will offer the following additional benefits to ADMINISTRATOR under the terms of this Contract:

- A. Housing Allowance - DISTRICT will pay ADMINISTRATOR Two Thousand Dollars (\$2000.00) per month as a housing allowance.
- B. Automobile Allowance - DISTRICT will pay ADMINISTRATOR One Thousand Dollars (\$1000.00) per month as an automobile allowance.
- C. 457 Contribution - DISTRICT will contribute Three Thousand Dollars (\$3000.00) annually to ADMINISTRATOR'S 457 account.
- D. Health, Disability and Other Insurance - DISTRICT will pay an annual amount of Five Thousand Five Hundred Dollars (\$5500.00) toward ADMINISTRATOR'S health insurance under DISTRICT'S current health plan.
- E. Signing Bonus - DISTRICT will pay ADMINISTRATOR a Twenty Five Hundred (\$2500.00) signing bonus in year one of this Contract.
- F. Moving Expenses - DISTRICT will reimburse ADMINISTRATOR expenses reasonably incurred for the moving of furnishings from the ADMINISTRATOR'S present residence to his new residence in the Bozeman area. The reimbursement shall be based on actual receipts, shall be subject to approval of the Board of Trustees as to reasonableness, and shall in no event exceed a total of Five Thousand Dollars (\$5,000.00). Any money left over from the Five Thousand Dollars (\$5,000.00) moving expense allotment may be directed toward health insurance premiums for year one of the contract.

In order to further comply with the provisions of Section 19-20-804, MCA, and other applicable provisions, the fringe benefits provided to ADMINISTRATOR as set forth in Paragraph 6 and as proposed by ADMINISTRATOR are not to be regarded as earned compensation for purposes of TRS and are specifically excluded from the definition of "earned compensation" as that term is defined in Section 19-20-101, MCA. The parties agree and acknowledge, however, that this agreement is only binding as to the parties to this agreement and not on third-parties, including but not limited to the TRS and the IRS. The parties further agree and acknowledge that the District has no control over the decisions made at TRS and IRS and should TRS at any time make a determination that ADMINISTRATOR'S eligibility under TRS is affected by this Agreement or the IRS make a determination to the detriment of ADMINISTRATOR, the District shall have no obligations to provide compensation to ADMINISTRATOR other than that specifically provided for in this agreement. Administrator further agrees to defend, indemnify, and hold

prescribed in Title 2, Chapter 18, Part 6. Additionally, ___ days of non-accumulative personal leave shall be granted each year.

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House Bill 63
Loophole Closure Example

Potential Plan for Teacher with 30 or more years to "Retire" and hire back to a district.

The ultimate goal in this is 2 pronged...

- (a) the Teacher is able to remain in the same position, in the same district and double dips without leaving town...makes more money.
- (b) the district benefits by saving some money and retains an experienced teacher who is happier in the same position

Step #1 Teacher will ask Teacher Retirement System to compute highest 3 year earnings with said agency to determine what the final salary is and what the TRS benefits are and what the allowable 1/3 salary factor is.

		Years	%age	Teachers current contract 44104	44104
Step #2	Final 3 year average:	41,000.00	Step # 2a	33 0.55	45280.11 44765.56
	Severance pay:	24,000.00		35 0.583333	0 45427.12
	Leave pay	7,061.95	Employee employer		7,061.95 45647.64
	Increase average to:	51,353.98	33416.44 35466.53		47634.09 45280.11
Step #3	Final average times your %age:	28244.69	23844.69	Retire in three years current formula	27786.55
Step #4	Divide final average by 12 to get approx. monthly salary	2353.724			2315.546 0
Step #5	To get what is the approx 1/3 for earning on next contract	17117.99			
Step #6	TRS Earnings:	1st year 28244.69	2nd year 28244.69	3rd year 28244.69	3 year earnings \$190,052.05
	1/3 Earnings:	17117.99	17117.99	17117.99	3 year earnings 135840.3
	TSA + Med Sav		26,982.00	26,982.00	
	Sub total:	45362.68	72,344.68	72,344.68	
Step #7	IF it was not in your contract whereby TRS was paid/calucalated on it then you can have it has a benefit. Such as:				
	So let us say you were at:	44,100.00	Less the	17,117.99	26,982.01
	TSA			24,000.00	2,982.01
	Med Sav			2,982.00	0.01